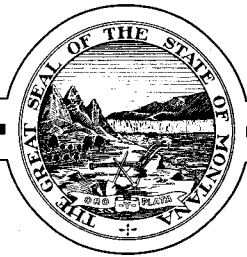


COMMISSIONER OF  
POLITICAL PRACTICES

EXHIBIT 1

DATE 04/23/07

HB 462




STATE OF MONTANA

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Memo

To: Members of the HB 462 Free Conference Committee  
Those it may concern

From: Dennis Unsworth  
Commissioner of Political Practices 

Date: April 23, 2007

Subject: Policy and other issues with HB 462 & related amendments

**Policy** – Shall elected officials be allowed to subsidize their public salaries by soliciting contributions? From an ethics standpoint it is a mistake to pass a constituency account bill that allows contributions after an elected official takes office and begins to contemplate official action.

One premise underlying ethics laws is that elected officials must serve only one master – the public. Some of the proposals at hand suggest it is acceptable to simultaneously serve two masters – the public, and private interests who seek a specific, official action.

**Other issues**

- Amendment 7 (HB046219.ash) may not accomplish what it intends.
  - It restricts *receiving* contributions, but does not restrict *soliciting* contributions. A legislator or other official could simply accept a contribution after the session for a vote made during the session.
  - Subpart (iii) is specific to legislators. A similar ethical conflict is raised, for instance, for Land Board members. How can this be addressed?
- Is it clear that all contributions, regardless of amount, are subject to disclosure? Note, in particular, 13-37-229(8), MCA, which allows for "mass collections" at fundraising events and references the \$35 threshold in Title 13.
- Include all contribution reporting, limitations and restrictions set out in Title 13.
  - Employers promises of favors, as described in 13-35-226, MCA.
  - Employers reimbursing employees for political contributions to an elected official. 13-35-228, MCA.
  - Public employees using public resources to raise funds for an official. 13-35-226(4), MCA.
- Leadership political committee, 13-1-101(20), MCA, will likely be prohibited by the current language.
- It is not sufficiently clear what the requirements are on the disposition of funds when an account is closed. Suggestion: on closing any remaining funds must be donated to charity. (Section 6 of HB 462.07.)